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C O N F I D E N T I A L LJUBLJANA 000460

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TAGS: [PGOV](#) [PREL](#) [SI](#)

SUBJECT: SLOVENIA: LIBERAL DEMOCRATS IN CRISIS

Classified By: COM Thomas B. Robertson for Reasons 1.4 (b) and (d)

[1](#)1. (C) Summary. Since Parliamentary elections in October 2004, the former ruling Liberal Democracy Party (LDS) has lost focus, cohesion and leadership - and there is no clear savior in sight. It is universally agreed among Slovenes that, from the time he assumed the role of Prime Minister, Anton Rop has performed dismally as party leader. Yet, after the initial finger pointing following the failed elections, the LDS again chose Rop as party president. Since that time and in addition to the hits taken prior to national elections, the party has suffered a number of public blows, including the disintegration of the LDS Group of Ljubljana City Counselors between March and June 2005. There has been widespread criticism in the press of Rop's inability to mount an effective opposition to current Prime Minister Janez Jansa's very popular government coalition. Rop has defiantly refused to step down, but in a nod to reality, agreed to an early party Congress to be held in September 2005. It is not certain, yet, whether the entire leadership will be up for re-election, or just the President. End Summary.

#### Early Signs of Faltering

[1](#)2. (C) The current predicament of LDS is rooted in leadership changes which occurred in December 2002 when then Prime Minister Janez Drnovsek was elected President of Slovenia. Rop, then Minister of Finance, was hand-picked by Drnovsek to fill the vacancy of Prime Minister. Internal tensions grew and the Rop-Drnovsek relationship became strained. In a stunning loss in June 2004, LDS claimed only two of seven seats in the European Parliament. Rather than view this as a major political loss and a signal of popular discontent with the LDS, Rop and his supporters continued to pursue their parliamentary re-election campaigns in a "business-as-usual" manner. After 12 years of near constant rule, the LDS apparently did not believe the Slovene public would reject what it was coming to view as an arrogant and elitist leadership and vote for Janez Jansa who, until then, seemed destined to be the eternal opposition.

#### Continuing Descent

[1](#)3. (C) When Rop took over from Drnovsek as party President (and Prime Minister) he also shifted the party (and Government) away from the center and more decidedly to the left. While a strong supporter of EU membership for Slovenia, his support for NATO was luke-warm. Rather than make bold, necessary economic changes, Rop wanted Slovenia to adopt (or hold on to) a strong social-welfare model of government such as in Denmark or Sweden. Privatization was not truly on the agenda, and foreign direct investment was viewed with parochial suspicion. In addition to preferring a less dynamic "go slow" approach to economic reform, the LDS and its economic beneficiaries i.e. directors general and board members of most major components of the economy: banking, insurance, energy, retail, food processing, etc. were being viewed as arrogant and interested only in self-enrichment. Nothing Rop did during elections helped to change the prevailing view. Even the creation of "Forum 21," former President Kucan's group of influential and like-minded financial and political leaders, had no effect. Had Rop managed to pull off a win, we could have expected a resurgence in Kucan's influence. As it is now, and with the change in leadership on most boards of the government owned enterprises, Forum 21, and any potential influence it might have had, has largely fizzled away.

#### LDS as Opposition

[1](#)4. (C) During a private lunch with COM in April, Rop said he was prepared to be a strong and loyal opposition. He had set up a shadow cabinet and told us it would closely track Jansa and his government's actions. Since then, we have seen little to suggest an organized, principled opposition agenda has been developed or deployed. There is the occasional swipe in the press aimed at a Jansa policy, but for the most part, Rop and the LDS are more focused on their internal political meltdown than national strategy. Perhaps in

acknowledgment of a poorly run campaign and a deep chasm between himself and the Slovene voter, Rop also asked COM for contact information for the National Democratic Institute. He said that he would like to connect with some US politicians on how to run a better campaign. This was an interesting request coming from a firmly Euro-centric politician. (Note: Post did pass along the requested information. End Note)

Will LDS Survive?

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15. (C) The LDS will likely survive in some form, but it will probably need several election cycles before it can hope to reclaim its former political standing. Former LDS youth wing leader and International Visitor participant, Stane Straus, in a conversation with Polecon Chief, predicted it would be eight or maybe even 12 years before the LDS won back the Prime Minister's office. He was clearly fed up with the poor leadership of the party and, after the 2004 elections, opted to return to his hometown of Kranj to pursue local business and political opportunities. Straus suggested he might even move to Australia for a few years to build a strong personal economic foundation before returning, eventually, to national party politics.

Comment

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16. (C) The LDS crisis is one of leadership. Rop defiantly refuses to resign, however, he has said that he would not run again for party president if an election is held at the September party Congress. His support base within the party is made up primarily of the most left-leaning members, including many of the "technocrats" whom he appointed to ministerial positions when the SLS left the coalition in Spring of 2004. Despite a recent meeting, President Drnovsek is unlikely to spend any of his valuable political capital in support of Rop, who lost no time abandoning Drnovsek's more centrist, consensus-driven positions when he took over as Prime Minister in 2002. The best that his internal opposition, made up mostly of old-guard LDS members, has been able to do is force the party congress to be held in September rather than December. Nonetheless, and despite his obvious failings as a leader, there currently is no obvious, immediate alternative to Anton Rop.

ROBERTSON

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